

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



May 4, 1998

ALL COUNTY LETTER NO. 98-28

**TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY PROBATION OFFICERS**

REASON FOR THIS TRANSMITTAL

- ☐ State Law Changes
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: FUNDING FOR AID TO FAMILIES WITH DEPENDENT CHILDREN-FOSTER CARE/REGIONAL CENTER CLIENTS

SUPERSEDES: ALL-COUNTY LETTER (ACL) 87-64 AND 87-71

REFERENCE: ALL-COUNTY LETTER 98-01

The purpose of this ACL is to inform counties of federal and state requirements regarding funding for foster children who are regional center clients.

BACKGROUND:

The funding responsibilities of the California Department of Social Services (CDSS) with respect to foster children who are regional center clients (dual agency children) are defined in Welfare and Institutions Code (WIC) Section 4684 and 11464. The WIC Section 4684 provides that the cost of providing 24 hour out-of-home non-medical care and supervision for dual agency children in licensed Community Care Facilities (CCF) shall be funded by the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program pursuant to WIC Section 11464. The WIC Section 4684 also states that regional centers shall pay the cost of services which they authorize for AFDC-FC recipients, but which are not allowable under state or federal AFDC-FC program requirements.

The rate paid by CDSS on behalf of dual agency children in licensed CCFs is defined in WIC Section 4684 as the rate set forth in WIC Section 11464. Under WIC Section 11464, CDSS uses AFDC-FC funds to pay the rate "established by the State Department of Developmental Services." State and federal AFDC-FC funds may only be used for the basic costs of residential placement, that is, the costs of providing care and supervision as defined in federal law and state statute. County welfare departments (CWDs) that have authority to provide for the cost of additional clothing pursuant to Manual of Policies and Procedures Section 11-405.1 may apply their clothing allowance policies to this population.

The majority of regional center placements are made into facilities of the small family home category. However, regional center placements may also be made into licensed foster family homes, group homes and certified homes of a Foster Family Agency. The provisions of WIC Section 11464 apply to AFDC-FC children placed in any of these licensed facilities having a "vendorized" or contractual relationship with the regional centers.

Relative caregivers are exempt from licensure as a CCF. Therefore, the funding for the placements of dual agency children with unlicensed relatives is not governed by WIC Section 4684 or 11464, which only apply to licensed CCFs. Rather, the general AFDC-FC statutes or, in some cases, CalWORKS statutes govern the funding of these placements. Dual agency children residing with relative providers would have their needs assessed by the regional center and the regional center shall pay the cost of services authorized which are not allowable under the applicable AFDC-FC or CalWORKS programs.

On April 30, 1987 the CDSS issued ACL 87-64, which outlined the rate procedure (Prescriptive Rate Model), in existence at that time for children served by both CWDs and regional centers. The ACL 87-64 is superceded by this ACL.

CURRENT RATE SYSTEM

Rates for board and care of regional center clients living in CCFs are set by the California Department of Developmental Services (CDDS) in accordance with WIC Section 4681.1. Effective January 1, 1991 the CDDS implemented the Alternative Residential Model (ARM) for setting rates to cover the cost of care and supervision for regional center clients, including dual agency children. The ARM rates are based on the level of services provided by a facility. The regional center "vendorizes" each licensed facility and approves a facility service level, which then corresponds to an established facility rate.

Alternatively, when a facility has a rate established by another governmental agency, the regional center may request approval of CDDS for payment of the "prevailing rate," meaning the rate set by the other governmental agency, to that facility.

While the purpose of this ACL is not to outline the rate setting structure of the CDDS, in general the rates are based on four levels of service provided at four different categories of facilities: Full Board and Care-Owner Occupied; Full Board and Care-Staff Operated; Daily Respite-Owner Occupied; and Daily Respite-Staff Operated. Daily Respite is not a supplemental rate but rather a facility type that provides daily respite care to regional center children who are living in their own homes and is not an allowable cost for AFDC-FC purposes.

Again, AFDC-FC funds may only be used to pay the ARM facility rate or the "prevailing" AFDC-FC rate for allowable AFDC-FC costs, namely the cost of basic care and supervision and Personal and Incidentals (P&I).

APPROPRIATE PLACEMENTS

The CWDs are ultimately responsible for ensuring the appropriate placement of dual agency children. Once a regional center has assessed the needs of a child, appropriate placement in a facility that can meet those needs is essential. This will ensure the child's needs are met and the appropriate rate for placement is paid. The CDSS anticipates that the assessment and placement of a dual agency child will be a collaborative effort on the part of the CWD and the regional center. This collaboration could include mutual participation in the development of the child's Individual Program Plan as well as any necessary follow-up to ensure the child's needs are being met. Assessed needs and follow-up activities should be reflected in the child's case plan.

Under the CDDS rate system, the level of payment must be the rate assigned to the facility where the child is placed. In other words, the CWD may not use AFDC-FC funds to pay additional care and supervision costs for a child placed in a facility which is not rated to meet the needs of that child. Again, the ARM rate is a facility rate. Any additional care and supervision or services authorized by a regional center and provided to the child would be the responsibility of the regional center.

If a dual agency child is placed in a facility with a rate for a level of service lower than the level needed by the child, the rate of payment may not exceed the rate assigned to the facility of placement, plus P&I. Therefore, in order for the needs of the child to be met and for the facility to be compensated appropriately, it is imperative that the child be placed in a facility that has been assigned a service level equivalent to that of the level of care needed by the child.

RATE NOTIFICATION PROCESS

Regional centers will notify CWDs in writing of the appropriate rate to pay for each eligible child based upon the established facility service level and the corresponding rate. The regional centers will send to the CWDs separate notices for each child with the following information: the child's name, total rate of payment (facility rate plus P&I amount) and the facility name and address.

The CWDs are instructed to keep the rate notice in the case file as official documentation of the rate paid under the AFDC-FC program. The CWDs will continue to pay the rate until notified of a change by the CDSS, CDDS, or the regional center serving the child. It is recommended that CWDs develop a system to identify and track these cases to facilitate future statistical surveys, rate adjustments and other administrative mandates.

CWD-REGIONAL CENTER COMMUNICATION

As stated in ACL 87-64, it is recommended that CWDs and regional centers establish a liaison between the two agencies and coordinate their activities for placement of AFDC-FC clients. It is also important for CWDs and regional centers to establish an effective on-going communication process to ensure that children with developmental disabilities receive, in a timely manner, the maximum benefits for which they are eligible.

The CWDs should initiate referrals to regional centers for children who may be eligible for regional center services. Regional centers will accept the referrals for evaluation and assist the CWDs in identifying appropriate placement resources for regional center eligible children based upon the evaluation. The CWDs timely referral provides an opportunity for the regional center to determine the appropriate service level and identify placement resources at the earliest possible date.

Whenever a child's AFDC-FC eligibility is being discontinued, it is important that the CWD notify the regional center as soon as possible to avoid interruption of payment should the out-of-home placement need to continue. Payment responsibility will shift to the regional center, where appropriate, in these instances.

The CWDs will have the responsibility for arranging transfer of Social Security benefits from the regional center to the CWD.

RESPONSIBILITY SUMMARY

The regional centers are responsible for setting rates for facilities serving regional center clients, in accordance with statute. The regional centers are also responsible for assessing the level of care needed by dual agency children and notifying the CWD of the approved service level for the child and the corresponding established ARM rate for the placement facility. The CWD and regional center share responsibility for ensuring an appropriate level of placement for dual agency children. The CWD is responsible for assuring the claim submitted for payment of AFDC-FC funds is for allowable costs and in the correct amount, based upon the level assigned to the placement facility. The CWDs and regional centers are responsible for maintaining an open line of communication and participation regarding the services assessed and provided to dual agency children.

If you have any questions about this letter or eligibility for foster care benefits in general, please contact your Foster Care Funding and Systems Consultant at (916) 323-1263. For questions regarding regional center services, please contact your local regional center. For questions regarding rate-setting procedures for regional center clients or the ARM system, please call the CDDS at (916) 654-2217.

Sincerely,

A handwritten signature in black ink, appearing to read "Marjorie Kelly", written in a cursive style.

MARJORIE KELLY

Deputy Director

Children and Family Services Division